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**IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH, NORTHERN DIVISION**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

DIGITAL LICENSING INC. (d/b/a “DEBT Box”), a Wyoming corporation; JASON R. ANDERSON, an individual; JACOB S. ANDERSON, an individual; SCHAD E. BRANNON, an individual; ROYDON B. NELSON, an individual; JAMES E. FRANKLIN, an individual; WESTERN OIL EXPLORATION COMPANY, INC., a Nevada corporation; RYAN B OWEN, an individual; IX GLOBAL, LLC, a Utah limited liability company; JOSEPH A. MARTINEZ, an individual; BENJAMIN F. DANIELS, an individual; MARK W. SCHULER, an individual; B & B INVESTMENT GROUP, LLC (d/b/a “CORE 1 CRYPTO”), a Utah limited liability company; TRAVIS A. FLAHERTY, an individual; ALTON O. PARKER, an individual; BW HOLDINGS, LLC (d/b/a the “FAIR PROJECT”), a Utah limited liability company; BRENDAN J. STANGIS, an individual; and MATTHEW D. FRITZSCHE, an individual;

Defendants,

**MATTHEW FRITZSCHE’S REPLY
TO THE SEC’S RESPONSE TO THE
COURT’S NOVEMBER 30, 2023
ORDER TO SHOW CAUSE**

Chief Judge Robert J. Shelby

Case No. 2:23-cv-00482-RJS-DBP

Magistrate Judge Dustin B. Pead

ARCHER DRILLING, LLC, a Wyoming limited liability company; BUSINESS FUNDING SOLUTIONS, LLC, a Utah limited liability company; BLOX LENDING, LLC, a Utah limited liability company; CALMFRITZ HOLDING, LLC, a Utah limited liability company; CALMES & CO, INC., a Utah corporation; FLAHERTY ENTERPRISES, LLC, an Arizona limited liability company; IX VENTURES FZCO, a United Arab Emirates company; PURDY OIL, LLC, a Nebraska limited liability company; THE GOLD COLLECTIVE LLC, a Utah limited liability company; and UIU HOLDINGS, LLC, a Delaware limited liability company,

Relief Defendants.

Under DUCivR 7-1(a)(7), defendant Matthew Fritzsche incorporates by reference certain points by defendants iX Global, Joseph A. Martinez, and Travis Flaherty (the “iX Global Defendants”) in their “Reply to the SEC’s Response to the Court’s November 30, 2023 Order to Show Cause” (including its Exhibit A, the “iX Global OSC Reply”, Dkt. 247).

INCORPORATION OF OTHERS’ POINTS

The iX Global OSC Reply contains legal statements, general factual statements about the SEC, and specific factual statements about the improper, sanctionable conduct by the SEC (and its counsel) in this case. By this reference, Mr. Fritzsche incorporates these statements.

ADDITIONAL POINTS SUPPORTING FRITZSCHE’S RESPONSE

Though the incorporated statements are sufficient for this Court to sanction the SEC and/or its counsel, Mr. Fritzsche details in the accompanying declaration some of the prejudice the SEC’s conduct has caused him, his wife, and his young daughters.

CONCLUSION

The SEC's unwarranted actions in this case have damaged Mr. Fritzsche and each member of his young family financially, physically, emotionally, and/or psychologically. Under these circumstances, applicable law supports this Court's imposition of stiff non-monetary sanctions that will deter the SEC and other litigants from engaging in such or even similar action in the future. Dismissing the lawsuit with prejudice, coupled with an order requiring the SEC to publicly acknowledge it obtained the TRO and asset freeze improvidently, are warranted and could be effective. Should this Court find dismissal with prejudice too severe a sanction, a dismissal without prejudice,¹ coupled with an order for a Court-approved public acknowledgement, would be appropriate.

Whether this lawsuit is dismissed with or without prejudice, applicable law supports this Court's entry of monetary sanctions against the SEC and/or its counsel. The amount of the sanction should at least equal the amount of expenses Mr. Fritzsche has incurred due to the improperly accelerated nature of this case. Mr. Fritzsche welcomes the opportunity to provide additional detail about the nature and magnitude of his losses.

Dated this 12th day of January 2024.

KESLER & RUST

/s/ Adam L. Grundvig

Adam L. Grundvig
Attorneys for Matthew Fritzsche

¹ Mr. Fritzsche questions the deterrent effect of requiring the SEC merely to do what it should have done in the first place (i.e., file a factually and legally accurate pleading).

CERTIFICATE OF SERVICE

I certify that I caused to be delivered through CM/ECF filing a true and correct copy of the foregoing **MATTHEW FRITZSCHE'S REPLY TO THE SEC'S RESPONSE TO THE COURT'S NOVEMBER 30, 2023 ORDER TO SHOW CAUSE** on January 16, 2024 to all counsel of record.

/s/ Cindee Elmer
